

May 2010

Highlights

Internal Audit Report to the
Board of Supervisors

Why We Did This Review

In May 2008, A.R.S. § 41-4401 was signed into law. Among other things, the statute requires government entities to conduct random verifications to ensure that contractors/subcontractors are complying with the Arizona Legal Workers Act (Act). We performed this review based upon this statutory requirement.

The Act prohibits businesses from knowingly hiring an unauthorized alien. It also requires employers to use the E-Verify system (a free web-based service offered by the Federal Department of Homeland Security) to verify the employment eligibility of all employees hired after December 31, 2007. Under the Act, the County may bring suit against employers for knowingly hiring unauthorized aliens. An employer found liable faces possible suspension or revocation of its business license.

We performed this review as part of our FY 2010 Board of Supervisors approved audit plan.



For more information, please contact
Richard Chard, Deputy County Auditor, at 602-
506-7539 or rchard@mail.maricopa.gov

Arizona Legal Workers Act Audit Verification

What We Found

One contractor was selected for review to determine compliance with the Arizona Legal Workers Act; no unauthorized employees were identified. However, we found that County contracts do not include all provisions required by A.R.S. § 41-4401.

No Contractor Violations Identified

We reviewed employment records for five of twenty Cem-Tec Corporation employees who performed work under the "Traffic Signal Poles and Components" contract. This contract is administered by the Maricopa County Department of Transportation (MCDOT). Contract, vendor, and employee selections were random.

Based on a review of I-9s, the employees selected were legally authorized to work in the United States. None of the employees was hired after December 31, 2007, so requirements to verify employment eligibility on E-Verify were not applicable. No contractor violations were identified.

County Contracts Not in Compliance with Statute

A.R.S. § 41-4401 requires that after September 30, 2008, all government contracts include a provision whereby contractors warrant their compliance with federal immigration laws *and* A.R.S. § 23-214(A). (That subsection requires employers to use E-Verify to verify employment eligibility.) However, contract language adopted by the County contains no provision whereby contractors warrant compliance with A.R.S. § 23-214(A). Contractors warrant compliance with federal immigration laws only.

According to Materials Management, all contract terms and conditions are developed in conjunction with and approved by legal counsel (at that time the County Attorney's Office). We recommended that Materials Management ensure that all provisions required by A.R.S. § 41-4401 are included in County contracts.

We appreciate the excellent cooperation received from MCDOT and Materials Management while conducting this review.

"Do the Right Things Right!"

Maricopa County Internal Audit Department